



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

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**BAUCUS CALLS FOR DETAILS ON PLAN TO CONTACT VETERANS
THROUGH IRS ABOUT COMPROMISED PERSONAL INFORMATION**
IRS address lists will be used to notify veterans about VA information security breach

Washington, DC – U.S. Senator Max Baucus (D-Mont.), Ranking Member of the Senate Finance Committee, today asked the Treasury Department for details on a plan to use IRS databases to notify U.S. veterans whose personal information was stolen from the home of a Department of Veterans Affairs (VA) employee this month. The IRS has an up-to-date database of most Americans' last known addresses, and that database will be used to contact veterans whose information was compromised. In a letter to Treasury Secretary John Snow, Baucus asked for detailed information on IRS plans to use private contractors to produce and send letters to veterans, and urged Snow to avoid creating additional confusion among veterans receiving notification from the IRS of a security breach at the VA. The text of the letter follows:

May 26, 2006

The Honorable John W. Snow
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Mr. Secretary:

Earlier this week, millions of veterans discovered through the news media that their personal information was stolen from a Department of Veterans' Affairs (VA) employee who had improperly stored this sensitive material at home. I understand that the Internal Revenue Service (IRS) has agreed to assist the VA in formally notifying 26.5 million United States veterans that their names, social security numbers and birthdates were among the stolen information.

It is my understanding the IRS plans to hire private contractors to produce these letters, giving non-government employees access to the IRS's confidential taxpayer information. Please provide me with a detailed report on how the notification process will work and what steps will be taken to protect the privacy of the veterans' personal information. A fundamental tenet of our voluntary tax system depends on the protection of taxpayer information. Treasury must exercise the utmost care to ensure that the privacy of these veterans is completely protected and not further compromised. Veterans deserve assurances that the IRS's notification process will not result in their further victimization.

Already, this incident has proved upsetting to many of our nation's veterans, who are now legitimately concerned that the security of their identities is at risk. Notification letters from the IRS may themselves add confusion. Letters from the IRS may cause veterans to wonder whether their tax or financial information has been compromised or whether they have a tax matter that needs to be addressed. I urge Treasury to ensure that these IRS letters are clear in their purpose and won't further complicate what could be an alarming situation for many veterans.

Sincerely yours,

Max Baucus
Ranking Member, U.S. Senate Committee on Finance

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